



### LOAN TO LENDER FINANCING PROGRAM

<b>Program Description</b>	<p>The <b>Loan to Lender Financing Program</b> supports the new construction of affordable rental housing projects by providing low-cost funds to eligible construction lenders. Interest rate savings derived from CalHFA funds are passed on at cost to the construction lender during the construction period, therefore reducing the project's development costs. This program must be used in conjunction with CalHFA permanent financing.</p> <p>The construction lender signs a note and lender agreement with CalHFA, and the borrower executes a regulatory agreement addressing the occupancy restrictions required per the terms of the CalHFA permanent loan.</p> <p>Refer to CalHFA's Permanent Loan Program guidelines for additional information regarding fees, interest rates, restrictions, due diligence, and regulatory agreement occupancy requirements.</p>
<b>Qualifications</b>	<ul style="list-style-type: none"><li>• Available to for-profit, non-profit or public agency sponsors</li><li>• Intended for construction lenders with established experience in construction lending for affordable housing projects in California. Lenders must also have been rated A- or higher by Standard &amp; Poor's. Current lenders include:<ul style="list-style-type: none"><li>— Bank of America</li><li>— Union Bank</li><li>— Wells Fargo</li></ul></li></ul>
<b>Loan Amount</b>	No maximum loan amount stated. The loan amount is determined by CalHFA and may not exceed the size of the construction loan.
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"><li>• Application Fee: \$500, due at time of application</li><li>• Origination Fee: 1% of the loan amount is due prior to the CalHFA Board Meeting</li><li>• Credit Enhancement Fee: included in the interest rate</li></ul>
<b>Rate &amp; Terms</b> (subject to change)	<ul style="list-style-type: none"><li>• Construction Lender Financing: 3% interest rate (taxable or tax-exempt) financing</li><li>• Borrower Pricing: The construction lender may charge an interest rate up to 200 basis points over the CalHFA interest rate, and 1.5% in loan fees</li><li>• Payments: Interest-only payments are required during the construction period</li><li>• Rate Lock: The interest rate is locked in at time of loan approval by the CalHFA Board of Directors</li><li>• Loan Term: The term is for the construction period, up to a 24-month maximum</li></ul>

<b>Subordinate Financing</b>	The construction loan and all other loans, leases, development and regulatory agreements must be subordinate to the CalHFA regulatory agreement.
<b>Construction Draws &amp; Inspections</b>	Funds are disbursed to the construction lender on a draw basis. CalHFA will independently inspect the projects for compliance with design guidelines approved under the CalHFA permanent loan commitment. The cost of the required independent inspections is the responsibility of the borrower and is estimated at \$1,500 per month.
<b>Questions</b>	<p>Questions regarding the Loan to Lender Financing Program can be directed to CalHFA's Multifamily Finance Division:</p> <ul style="list-style-type: none"> <li>• Laura Whittall-Scherfee, Chief, Multifamily Programs</li> <li>• 1121 L Street, Suite 207, Sacramento, CA 95814</li> <li>• Phone: 800.736.2432 or directly at 916.327.2588</li> <li>• Email address: lwhittall-scherfee@calhfa.ca.gov</li> </ul>

**IMPORTANT DISCLOSURE INFORMATION:**

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. CalHFA does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities.

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